

#### Members

Sen. Becky Skillman, Chairperson  
Sen. Steven Johnson  
Sen. Rose Antich  
Sen. Mark Blade  
Rep. Tiny Adams, Vice-Chairperson  
Rep. Peggy Welch  
Rep. Gloria Goeglein  
Rep. Matt Whetstone  
Garland Ferrell  
Frank Fritch  
Thomas Zakrzewski  
Vernon Jewell  
Douglas Lechner  
Gloria Stephani



# COUNTY GOVERNMENT STUDY COMMISSION

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Committee

Authority: P.L. 109-1997

## MEETING MINUTES<sup>1</sup>

Meeting Date:	September 2, 1999
Meeting Time:	1:00 P.M.
Meeting Place:	State House, 200 W. Washington St., Room 431
Meeting City:	Indianapolis, Indiana
Meeting Number:	2

**Members Present:** Sen. Becky Skillman, Chairperson; Sen. Steven Johnson; Sen. Rose Antich; Sen. Mark Blade; Rep. Tiny Adams, Vice-Chairperson; Rep. Peggy Welch; Rep. Matt Whetstone; Garland Ferrell; Frank Fritch; Thomas Zakrzewski; Vernon Jewell; John Catey; Richard Dodge; Bill Mansard; Al Dillon; Jean Lushin; Gloria Stephani.

**Members Absent:** Rep. Gloria Goeglein; Douglas Lechner.

Chairperson Senator Becky Skillman called the meeting to order and had the members of the Commission and staff introduce themselves. Senator Skillman then reviewed the charge of the Commission and the Commission's activity in the previous two interims between legislative sessions.

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<sup>1</sup> Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

## **Reassessment**

Senator Skillman recognized Tim Brooks, Chairman of the State Board of Tax Commissioners, to address the questions about general reassessment that members of the Commission had raised in the Commission's previous meeting.

Mr. Brooks reviewed the events affecting the general reassessment that have occurred in the past year. Mr. Brooks also presented a memorandum addressing the status of the reassessment (Exhibit A). The memorandum contains a time line for completing the reassessment and reviews the issues facing assessors and the State Board of Tax Commissioners.

Mr. Brooks then presented a packet of explanatory memoranda that outline the proposed regulation for the general reassessment (Exhibit B). Mr. Brooks predicted that the proposed regulation will be adopted and sent to the assessors by the end of January or early February.

When asked by Senator Skillman whether the required reassessment could be "pulled off", Mr. Brooks replied, "There is a chance that it could be pulled off and a chance that will not be pulled off. We have a very slim margin of error." Representative Welch followed up Senator Skillman's question by asking if the State Board of Tax Commissioners needed any legislation for the reassessment. Mr. Brooks replied that no legislation was necessary for the short term but added that legislation may be necessary in the future after the effects of the reassessment are known.

Mr. Brooks discussed potential shifts in the property tax burden from business to residential taxpayers with Senator Antich and Representative Whetstone. Mr. Brooks indicated the State Board of Tax Commissioners hoped to have data for the individual counties by mid-September. Mr. Brooks noted that statewide residential property taxes may increase by an average of 5%. Moreover, preliminary data indicates a 5% shift from business to residential taxpayers statewide. However, Mr. Brooks cautioned, some areas may face a greater shift. Mr. Brooks stated that the preliminary data indicates a 55% shift in Lake County, but predicted that the actual shift will be lower.

Bill Waltz, general counsel to the State Board of Tax Commissioners, then addressed questions regarding the availability of the commercial cost tables that will be used for the reassessment. Mr. Waltz noted that the material is copyrighted and that the State Board of Tax Commissioners is working with the authors to allow assessors to copy portions of the tables for taxpayers. Mr. Waltz was confident that there will be no problem with copying a few pages to explain an assessment. However, conversations regarding the extent to which copying the tables will be allowed are ongoing.

Mr. Waltz also presented the Commission with a memorandum addressing the new personal property tax credit (Exhibit C).

## **The COMPETE project**

Senator Skillman briefly described the project and noted the project's similarities to the charge of the Commission. Senator Skillman then introduced Lee Llewellyn to present the project to the Commission.

Mr. Llewellyn, the executive director of the Metropolitan Association of Greater Indianapolis Communities (MAGIC) during the course of the project, described the project's evolution from a question about economic development to a question about the

quality of life in Indiana. Mr. Llewellyn concluded his introduction of the project by praising Indiana's elected officials while criticizing the structure of local government: "Local officials are dedicated, but hampered by one hundred forty-eight year old rules".

Mr. Llewellyn then introduced Cris Johnston, principal researcher at Crowe Chizek and Company, LLP, to formally present the COMPETE project's recommendations to the Commission. Mr. Johnston highlighted the recurring themes found in the recommendations. Among the recommendations presented to the Commission were the following:

- (1) revise the distribution formula for local option income taxes
- (2) prohibit double or triple taxation for the same services without taxpayer approval
- (3) allow county choice concerning the form of county government
- (4) allow greater use of city and town administrators and managers
- (5) multi-county construction and operation of correctional facilities
- (6) eliminate constitutional office of county surveyor
- (7) encourage more cooperation in local government purchasing to achieve economies of scale
- (8) provide a repository of best practices to local elected officials

Following Mr. Johnston's presentation, MAGIC's Victoria Castor introduced the following members of the COMPETE advisory board who were in attendance: Jean Lushin; Connie Prible; George Sweet; Jesse Moore; and Kirk White.

Representative Welch prefaced the Commission's questions for Mr. Johnston and Ms. Castor by noting that the COMPETE project was not funded with taxpayer dollars. Mr. Johnston then fielded questions from the Commission concerning the project's methodology.

Senator Johnson asked, "Where do you go from here?". Ms. Castor replied that MAGIC and the advisory board hoped to use the six focus counties (Whitley, Porter, Monroe, Vanderburgh, Hancock, and Franklin) of the project as incubators and noted that Representative Sue Scholer, an advisory board member, has submitted the recommendations to the Legislative Services Agency for review. Senator Skillman then added that a constitutional amendment and public referendum would be required to implement some of the more dramatic recommendations.

Kirk White, a member of the COMPETE advisory board and a Monroe County Commissioner, concluded MAGIC's presentation. Mr. White described his perspective as a county commissioner and professed his support for the project's recommendations. Mr. White's written remarks are Exhibit D.

Following the formal presentation of the COMPETE recommendations, Sen. Skillman opened the floor to the public for responses to the project's recommendations.

The first to take the podium was Matt Brooks, Association of Indiana Counties (AIC). Mr. Brooks first noted the several points of agreement between the AIC and COMPETE. Mr. Brooks then addressed AIC's concerns about the project. Mr. Brooks' remarks (Exhibit E) questioned the objectivity of the project, the project's lack of a cost analysis for its recommendations, and the fact that the study did not address county welfare and court costs.

Steve Buschmann, representing the Indiana Township Association, addressed the

Commission and presented a memorandum (Exhibit F) that echoed the AIC's concern that the COMPETE project did not include a cost analysis of its recommendations. Mr. Buschmann also noted that the project was limited to counties, cities, towns, and townships and did not address library districts, school corporations, and other local government units. Mr. Buschmann provided a summary of the local government appropriations made by units not included in the project. Mr. Buschmann urged the Commission to not allow the COMPETE project become the final word on the question of local government organization and efficiency.

Lake County Surveyor, George Van Til, rose next to respond to the COMPETE project. Mr. Van Til made an historical and philosophical case for retaining elected local officials generally and elected county surveyors in particular. Mr. Van Til rejected COMPETE's proposition that the public would be better served by appointed, registered surveyors and some of the project's assertions about the duties of the county surveyor.

Following Mr. Van Til's remarks, Sen. Skillman asked the surveyors in attendance how many of the state's county surveyors are not registered surveyors. Hamilton County Surveyor, Kenton Ward answered that it was about 48%.

Henry Dunn, Paoli town manager, spoke in favor of two of the COMPETE recommendations. Mr. Dunn supported the recommendation that counties be allowed to adopt the council-manager form of county government. Mr. Dunn also urged the abolition of the city/town clerk-treasurer position.

George Sweet, Chairman of MAGIC, reiterated the point that the COMPETE project was originally undertaken with economic development in mind. Mr. Sweet expressed his support for the dialogue started by the project.

Bernadette Costa, President of the Lake County Council, urged the Commission to recommend retaining the legislative powers belonging to the Lake County and St. Joseph county councils. When asked by Senator Skillman if she represented the majority view in Lake County, Ms. Costa replied that she was speaking only on the behalf of the county council and noted that the Lake County commissioners may have a different opinion.

Will Smith, Deputy Township Trustee, Calumet Township, Lake County, rose in support of township government and urged the Commission to recommend legislation allocating gaming revenue to the townships in which a riverboat is located.

### **Trends in county government structure**

Ross Hooten, staff attorney, presented a memorandum addressing trends in changing county government in the United States. Mr. Hooten briefly described the slow spread of charter county governments. Mr. Hooten noted that the states are not unilaterally imposing changes upon the counties -- state constitutions are being amended to allow counties to adopt charter governments. However, only 10% of the counties eligible to adopt a charter have done so and that number constitutes only 4% of the total number of counties in the United States.

Senator Skillman scheduled the next two meetings of this interim for Thursday, September 30 and Thursday, October 21. Both meetings are scheduled to begin at 1:00 p.m. in the Statehouse.

Senator Skillman then adjourned the meeting.